

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 1885 – HB 2382

March 11, 2009

SUMMARY OF BILL: Requires HOPE Scholarship students to maintain at least a 2.75 cumulative grade point average for retaining the HOPE Scholarship. Under current law, a student must have maintained at least a 2.75 cumulative grade point average through the first 48 semester hours and at least a 3.0 cumulative grade point average for any subsequent semester, to retain the HOPE Scholarship.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Increases the expenditures of lottery proceeds earmarked for scholarships and grants by \$2,956,000 in FY09-10 and by \$3,044,000 in FY10-11.

Assumptions:

- Under current law, the Tennessee Student Assistance Corporation (TSAC) projects 739 students will not retain their HOPE Scholarships in FY09-10 as the result of posting cumulative grade point averages between 2.75 and 2.99 in semesters subsequent to the 48 semester-hour benchmark.
- All such students attend eligible four-year institutions because they have attempted at least 72 semester-hours.
- The HOPE award for students attending eligible four-year institutions is \$4,000 per year.
- The increase of expenditures from lottery proceeds for FY09-10 is estimated to be \$2,956,000 ($739 \times \$4,000 = \$2,956,000$).
- TSAC projects three percent growth in the number of students who would retain their HOPE Scholarship for FY10-11. Therefore, the number of students who retain HOPE Scholarships in FY10-11 is estimated to be 761 ($739 \times 103\% = 761$).
- The increase of expenditures from lottery proceeds for FY10-11 is estimated to be \$3,044,000 ($761 \times \$4,000 = \$3,044,000$).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

/rnc